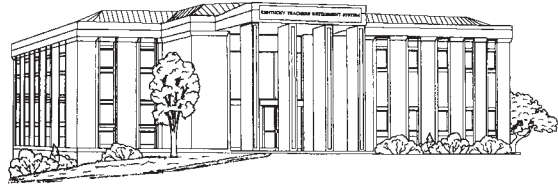


# KTRS NEWSLETTER

TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF KENTUCKY

RETIRED MEMBER EDITION  
April/ May 2003



## **\*ELECTION\*** **KTRS Board of Trustees**

The Kentucky Teachers' Retirement System is governed by a nine-member Board of Trustees. Two members are ex-officio members, the Chief State School Officer and the State Treasurer. The remaining seven trustees are elected by the retired and active membership. Elections are held in May of each year to fill either one or two positions on the Board. Positions are held for four-year terms and the elections are staggered. This May the membership will be electing an active teacher trustee and a lay trustee.

The candidates for the lay trustee position are Julian M. Carroll from Frankfort and Eleanor Jordan from Louisville. The candidates for active trustee position are Terry J. Poindexter from Covington and Ruth Ann Sweazy from Taylorsville.

During the early part of May, KTRS will mail a ballot with information about the candidates to each retired and active member. The ballot itself has been simplified to save costs. Retired members will receive a yellow ballot and active members will receive a blue ballot. Just select your candidates, tear along the perforation, and drop it in the mail. Postage is prepaid. You may return your ballot any time during May, but no later than May 31, 2003. The Chief State School Officer is responsible for counting the ballots.

All members are urged to review the qualifications of each candidate and cast their ballot for the candidate in each category who they feel has the best qualifications to be an effective member of the Board of Trustees. The results of the election will be announced in the next publication of the 2003 KTRS newsletter.

## **2003 General Assembly Comes to a Close**

The regular session of the 2003 General Assembly has now come to a close, adjourning sine die on March 25<sup>th</sup>. During this session, two bills were enacted with a direct impact on the Kentucky Teachers' Retirement System and its members who are employed by local school districts.

The first of these, House Bill 269, provides a return-to-work program for KTRS retirees that will be administered almost identically to the former critical shortage program. The only significant difference is that retirees returning to work will be contributing to a second defined benefit account similar to their original KTRS account rather than to a defined contribution account similar to a 401(k) plan. Under this "new" critical shortage program, just as under the old critical shortage program, retired members may be re-employed in KTRS-covered positions and continue to draw their full retirement allowance without limitation on the amount of compensation that they earn as long as they observe proper breaks in service from retirement to re-employment and as long as each position they are filling is determined by the Department of Education to be a critical shortage position. As with the old critical shortage program, a school district may employ a number of KTRS retirees equal to one percent (1%) of the total KTRS membership employed by the district, or two KTRS retirees per district, whichever number is greater. This new critical shortage provision is currently effective through June 30, 2005. (*Note: This new critical shortage program is in addition and optional to the return-to-work membership provisions instituted by the 2002 Legislative Session*).

House Bill 269 also confirmed full funding for the Cost-of-Living Adjustments (COLAs) that were approved

*continued on page 2 . . .*

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# MR. ROBERT M. CONLEY

## *Concludes Fifteen Years as KTRS Board Member*

**Mr. Robert M. Conley** will conclude a fifteen-year term as a “lay member” on the KTRS Board of Trustees on June 30, 2003. Mr. Conley is a valued member of the Board who has worked at improving the retired teacher health insurance program and has been intimately involved with the System’s investment activities. Since 1991, Mr. Conley has served as Vice Chairman of the Investment Committee.



When Mr. Conley joined the Board, the System’s assets approximated \$2.84 billion. By the end of the most recently concluded fiscal year, June 30, 2002, the System’s assets stood at about \$11.8 billion. For the eleven years that Mr. Conley has served on the Investment Committee, the annualized total return for all investments was 9.3%. The annualized stock return for the period was 12.1%, while the annualized total return for bonds was 8.1%. In each case, the System out-performed its benchmark.

Mr. Conley has spent most of his life in Paintsville where during a career at the Bank of Paintsville he rose to the position of Chief Executive Officer. In recent years, he has worked as a finance officer and budget director for Johnson County and for the city of Paintsville. Through his active membership in the Methodist Church, Mr. Conley serves on the Board of Directors of Wesley Village, a retirement community, at Wilmore, Kentucky.

Mr. Conley attended Berea College and graduated from Eastern Kentucky University. He also completed graduate work at the Kentucky School of Banking and School of Banking of the South at Louisiana State University. During World War II, Mr. Conley saw active duty in the European theater.

Mr. Conley has been active with various charity groups that include Kiwanis, 4-H Clubs Council, Red Cross, and the Chamber of Commerce. Mr. Conley is married to Mrs. Barbara Allen Conley, a retired teacher and guidance counselor with the Paintsville City Schools.

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### ***2003 GENERAL ASSEMBLY continued...***

during the 2002 General Assembly as set out in House Bill 637. As you may recall, the combined standard and ad hoc COLAs that became effective on July 1, 2002 for all members who had been retired for at least one year totaled 2.9%. The combined standard and ad hoc COLAs that will become effective on July 1, 2003 for all members who have been retired for at least one year will total 3.0%. Members who have been retired for less than one year on the date a COLA becomes effective will receive a pro rata COLA increase in proportion to the number of months they have been retired before the effective COLA date.

In addition to the renewed critical shortage program and confirmation of full funding for COLAs provided in House Bill 269, the other significant piece of legislation enacted by the General Assembly with retirement system implications is House Bill 224 with its “bad weather”

provisions. This legislation acknowledges the unusual severity of last winter’s weather and the resulting high number of missed school days. It provides that KTRS members employed by school districts that add instructional time to the length of the class day to make up for missed days during the 2002-03 school year may have this time accredited with the retirement system to ensure that they receive a full year of service credit. A related piece of legislation, Senate Bill 132, provides that the Commissioner of the Department of Education shall provide five disaster days for all school districts that missed at least ten days due to bad weather during the 2002-03 school year. This legislation does not allow service credit in the retirement system and requires teachers to report to work during the five disaster days.

KTRS staff will be working with the administrative staff in the local school districts to help implement the two bills that were enacted.



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## Ben Zimmerman Completes His Term

**Mr. Ben Zimmerman** will be leaving the KTRS Board of Trustees on June 30, 2003. He was appointed to the Board to fill the unexpired term of Ms. Judith Gambill. We appreciate his service on the Board of Trustees. His contributions along with his concern for the welfare of the Retirement System are valued. We thank him and wish him well.

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## Nominating Process for KTRS Board of Trustees

Several members have inquired as to how candidates for the KTRS Board of Trustees are selected. The nominating and election process is defined in KRS 161.250-260. Twelve active members [one from each Kentucky Education Association (KEA) district] and one retired member representing all retired members compose a thirteen-member nominating committee that is chaired by the President of KEA. In the spring, this group nominates two individuals for each Board position that has an expiring term. This nominating process applies to seven of the nine Trustee positions. The other two Trustees are ex-officio members.

The two ex-officio members are the State Treasurer and the Chief State School Officer. Two of the elected Trustees are "lay trustees". They are neither active nor retired members of the System. Another elected Trustee is a retired member of the System. The other four Trustees are active members of the System and, through a long-standing practice, are three classroom teachers and one administrator.

The Trustee terms coincide with the fiscal year. Terms begin on July 1. Annual elections are concluded by June 1. The Chief State School Officer is responsible for tabulating the votes in Trustee elections. Every active and retired member of the System is entitled to vote in each Trustee election.

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## KTRS Board of Trustee Candidates



### LAY TRUSTEE CANDIDATE

Julian M. Carroll  
Frankfort



### LAY TRUSTEE CANDIDATE

Eleanor Jordan  
Louisville



### ACTIVE TEACHER TRUSTEE CANDIDATE

Ruth Ann Sweazy  
Taylorsville



### ACTIVE TEACHER TRUSTEE CANDIDATE

Terry Poindexter  
Covington

## Optimizing Convenience and Savings for Medication Dosage

**M**any drugs are available at various strengths, because different people require different amounts of the same drug to treat their conditions. Some drugs are available in a convenient single tablet or capsule daily dosing regimen. For instance, you may be taking a 50mg dose two times a day when a single 100mg dose of the same medication could be substituted. This practice, called dose optimization—taking one 100mg dose instead of two 50mg doses—may be a more convenient option for the patient.

Dose optimization works for many, but not all, medications. Talk to your doctor about possible alternative dosing for your medications. You may find you can achieve the same total daily requirement and effectiveness needed to treat your condition with fewer daily doses. Changing to one dose each day, when appropriate, helps your plan sponsor control the rising cost of prescription drugs, and it may be more convenient for you.

KTRS will be participating in the dose optimization Home Delivery Program sponsored by our Pharmaceutical Benefits Manager (PBM). If you are taking multiple daily

doses of certain maintenance medications, our PBM will contact your doctor to ask if a single daily dosage regimen would be effective for you. You may opt out of this program by calling our PBM customer service line and arranging for the single dose medication to be returned. However, changing dosage regimens to once per day may clearly help to facilitate patient adherence, which is paramount to the wellness and safety of our members.

## New Medical Benefit Plan ID Cards to be Issued

**I**f you are age 65 or older, Medicare eligible, and enrolled in the Medicare Eligible Health Plan (MEHP) administered by Aetna and Medco Health, a new ID card will be issued by Aetna and mailed to you by the end of May. This new ID card will designate P.O. Box 981107, El Paso, Texas 79998-1107 as the new claims office address. Upon receipt of this new ID card, please destroy all old cards issued by Aetna and give your doctor or hospital your new card at your next visit.

**The Aetna Customer Service Number  
remains 1-800-423-3289**

## KTRS Medical Plan for Age 65 and Over Medicare Primary

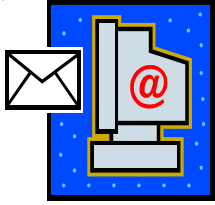
This is to inform retirees and eligible spouses, who are age 65 or older and not already enrolled in the KTRS Medicare Eligible Health Plan (MEHP) administered by Aetna and Medco Health Solutions, that June 1, 2003 begins Open Enrollment. If you are not currently enrolled in the MEHP and wish to have coverage effective July 1, 2003, you must contact KTRS for an enrollment form and return the completed form to this office by June 30, 2003. During Open Enrollment you can enroll without providing proof of a qualifying event. To enroll outside of open enrollment you must show evidence of a qualifying event. **If you are currently enrolled in the KTRS MEHP, you do not have to do anything.**

For the calendar year 2003, the monthly premium for the MEHP is \$260.00 per person. The retiree's premium may be reduced by the retiree supplement payment shown on the schedule below. However, KTRS does not pay any supplement toward the cost of the eligible spouse's coverage.

<b>Years of KTRS Service</b>	<b>Age 65 &amp; Over KTRS Payment</b>
20 & Above	\$260.00
15-19.99	\$234.00
10-14.99	\$208.00
5-9.99	\$182.00

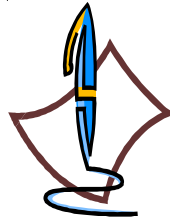


## E-Mail Protocol



Your personal computer is a valuable resource in contacting KTRS via e-mail for the purpose of obtaining general information about your retirement. However, your e-mails are unsecured and you should take precaution not to e-mail us confidential information about yourself. To safeguard against identity theft, please do not include your Social Security number or home address. When e-mailing KTRS, please indicate (*in the subject area of the e-mail*) that you are a KTRS member with retirement related questions. This will enable KTRS staff to identify your e-mail before opening it. This precaution will safeguard against destructive viruses from penetrating our computer systems.

## Members Should Keep Their Addresses Current



KTRS retirees and other annuitants are reminded that when they change addresses they should notify KTRS **in writing** in order to continue to receive their KTRS mail on a timely basis. All retirees receive a check stub in July indicating COLA increases. If you change your mailing address, please be sure to notify KTRS during the first ten (10) days of a new calendar month in order for the change to be effective for the end of the month mailing.

### Change of Address Form

**It is imperative that all retired teachers or survivors of a member keep their address current. This ensures proper mailings regarding insurance, tax documents and other pertinent information distributed by KTRS.**

If you have a FORWARDING ADDRESS LABEL on the front of this newsletter, this form needs to be completed and returned to KTRS. This label indicates that KTRS does NOT have your correct address on file.

As a retired teacher or survivor of a member of the Kentucky Teachers' Retirement System, I request that my mailing address (and/or) name be changed as follows:

**FROM:** \_\_\_\_\_ **TO:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Member/Survivor's Signature REQUIRED**

**Date:** \_\_\_\_\_, 20\_\_\_\_

**SS#** \_\_\_\_\_

(KTRS Member SS#)

**New Phone:** \_\_\_\_\_ / \_\_\_\_\_

**RETURN TO: KTRS • 479 VERSAILLES ROAD • FRANKFORT, KENTUCKY 40601**



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